

J. Edward Kerley (175695)
Dylan L. Schaffer (153612)
Nicholas J. Peterson (287902)
Kerley Schaffer LLP
1939 Harrison Street, #900
Oakland, California 94612
Telephone: (510) 379-5801

Attorneys for Plaintiffs

UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

WILLIAM TONG, et al,

Plaintiffs,

v.

STATE FARM GENERAL
INSURANCE COMPANY, an Illinois
corporation, and DOES 1 through 10,

Defendants.

Case No. 2:24-cv-02219-DSF-MAR

DISCOVERY MATTER

**SUPPLEMENTAL
MEMORANDUM IN SUPPORT OF
PLAINTIFFS' MOTION FOR
ENFORCEMENT OF THE
COURT'S ORDER COMPELLING
DISCOVERY RESPONSES AND
PRODUCTION AND FOR
SANCTIONS PURSUANT TO
FEDERAL RULE OF CIVIL
PROCEDURE 37(b)(2)**

Motion Date: March 26, 2025

Motion Time: 11:00 a.m.

Courtroom: 255 E. Temple St., Los
Angeles, Courtroom 790, 7th Floor

Discovery Cutoff: 5/12/25

Pre-Trial Conference: 9/8/25

Trial: 10/7/25

INTRODUCTION

State Farm has demonstrated it does not believe it is required to follow the Federal Rules, the Local Rules, controlling law, or this Court's orders. Its conduct is strategic, designed to avoid a liability in a hard case. The state's largest insurer will not be deterred by a financial sanction. Issue sanctions are appropriate.

Take this example. The Court entered its order on December 20. State Farm sought no stay. On January 3, it moved for review but limited its request to a narrowing of the date range relating to "Water Initiative" documents. (Dkt. 50, 50-2). Under L.R. 72.2-2 and the law (*PlayUp, Inc. v. Mintas*, 635 F.Supp.3d 1087, 1093 (D NV 2022)), absent a stay, the Court's order was "in effect".

But State Farm argues that because the order had no production deadline "*there was no need to ask for a stay from the Court's Order while the Order is under review by the District Court*. In other words, *the framing of [this Court's] Order permitted State Farm to seek review without simultaneously seeking a stay of the Order.*" (Dkt 55-1, p.48:15-20.) State Farm's new procedural rule is as irreconcilable with the local rule and the law as it is consistent with Defendant's improper strategic purpose—*i.e.*, to forestall compliance.

Or consider this example. Over its objections, the Court ordered State Farm to produce eight categories of training and guidelines documents relating to water loss coverage investigations *available* around the Tongs' claim, but which were not actually given to the participating claims staff. (Dkt. 48, pp.15-16.) No stay was in place, and its review motion did not apply to these requests, the carrier did not serve amended responses and produced nothing.

Precisely as the Tongs' predicted, however, days after they served this motion, State Farm sprang into action. Some amended responses arrived one day before its portion of the Joint Stipulation was due, but do not include any reference to a diligent search and a responsive production, as the law requires. (*Leprino Foods Co. v. Avani Outpatient Surgical Ctr., Inc.*, 2024 WL 4488711, at *13

(C.D.Cal., 2024); *Zheng v. Walker*, 2023 WL 4365441, at *2 (D.N.M., 2023).)

Rather, in addition to its standard production of non-responsive Operations Guides, Jurisdiction Resources, and Standard Claims Process documents,¹ State Farm stated that it would produce “additional materials *representative of resources available* during the relevant timeframe”² That response is a simple rejection of the Court’s authority—it did not order production of “*representative*” documents; it ordered production of *all* responsive documents.

Worse, even the “representative” materials are uniformly non-responsive to the Court’s order. Specifically, State Farm produced nearly two thousand pages without coming within a mile of the guidelines and training that were the subject of the Court’s order.³ For instance, State Farm produced hundreds of pages and multiple versions of guidelines relating to *Colorado* insurance claims, interpretation services, domestic violence law, child support liens, and boat claims.

Most telling, State Farm’s multiple filings here lack any description of the *contents* of its productions. That is because the productions, months tardy, fall far short of satisfying the Court’s order. As is described in detail in the accompanying Supplemental Declaration of Counsel (Schaffer Decl.), and is set forth in summary fashion below, even three months after the Court’s order, most of the documents this Court ordered to be produced remain outstanding.

In its latest filing (Dkt. 57), State Farm assures the Court that at least *some* of what remains is coming on March 17th. But the proposed production date is a giveaway, days beyond the reach of the parties’ briefing here, outside of the Court’s ability to review, and lacking any specificity. Even then, State Farm *admits* the March 17 production will not satisfy the order: multiple categories will arrive “in a supplemental production,” with no date provided. (Dkt. 57, pp.2:27-3:2.)

¹ Supplemental Declaration of Dylan Schaffer ISO Enforcement Motion [Supp. Decl.], ¶¶5-27 [describing production].

² *See, e.g.*, Supp. Decl., Ex. A, p.6:12-14.

³ Supp. Decl., ¶26.

1 State Farm refuses to be bound by the Local or Federal Rules, the law, or the
2 Court's order. A financial sanction will have no impact on the company of State
3 Farm's size. The Court should impose the issue sanctions requested.

4 **I. There is no Rule that a Court's Order Lacking a Stated Deadline for**
5 **Production, together with a Limited Motion for Review, Equals a Stay.**

6 State Farm's theory is that because the Court's order contained no deadline
7 (Dkt. 55-1, p.8:15-17), and it filed for review (Dkt. 55-1, p.8:17-20), there was an
8 effective stay in place until Judge Fischer's order on February 26. (Dkt. 55-1,
9 p.48:15-20.) The new rule of procedure is a fiction concocted by State Farm to
10 provide cover for its abject failure to comply with the law.

11 **II. The Tongs' are not to Blame for State Farm's Violations of the Order.**

12 State Farm insists the Tongs are at fault for its failure to comply with the
13 Court's order. (Dkt. 55-1, p.8:23-28, 27:9-17) Its evidence is an email from the
14 Tongs' lawyer in which the Tongs sought State Farm's compliance with the federal
15 rules. (Batezel Declaration, Exhibit 1) The argument makes no sense; counsel
16 never told Defendant not to produce documents or proposed a delayed timeline.

17 **III. State Farm Has Failed to Comply with the Court's Order.**

18 In its filings here (Dkt. 55-1, pp.25:13 et seq., 46:1 et seq.; Dkt 57), State
19 Farm urges that as it has produced 4000 pages and some videos, the Court should
20 deny the motion and impose sanctions on the Tongs. But nowhere in State Farm's
21 portion of the Joint Stipulation, Supplemental Memorandum, and supporting
22 declarations, does the carrier aver that it has served rule-compliant amended
23 discovery responses, or produced all documents responsive to the requests at issue,
24 or taken any steps to *describe* with any specificity what it *has* produced.

25 Those omissions are consistent with the events since the Court's order: State
26 Farm has failed to serve valid amended responses, served responses that are framed
27 expressly to avoid compliance with the Court's order, delayed its compliance for
28 months, and with narrow exceptions failed to produce responsive documents. As to

1 some categories, State Farm has *admitted* it has yet to produce a page and has no
2 deadline in mind.

3 **A. Guidelines Relating to Water Coverage Investigations.⁴**

4 As explained in the Joint Statement, State Farm initially produced multiple
5 versions of twenty-nine Operations Guides, all but uniformly irrelevant here, and
6 no amended responses.⁵ As described in detail in the accompanying declaration of
7 counsel:⁶ (a) its first amended responses and production arrived only after service
8 of the enforcement motion, two months after this Court's order; (b) the responses
9 are non-compliant, as they promise only "additional materials *representative of*
10 *resources available during the relevant timeframe ...*"; and (c) the 2000-page
11 production of guidelines relating to Colorado law, domestic violence, child
12 support, and boat claims, among many other non-responsive categories, does not
13 start to satisfy the Court's order, and flows from the improper amended responses.

14 **B. Training Given to the Two Claims Staff.⁷**

15 As accompanying Declaration describes,⁸ on February 21st, only after
16 service of the enforcement motion, State Farm served non-compliant amended
17 responses and hundreds of non-responsive documents; also it omitted from its
18 production an obviously responsive digital course completed by its adjuster *two*
19 *days before the loss was denied*, called "Investigating Questionable Water Losses."

20 **C. Personnel File and Denial Template Materials.⁹**

21 As the accompanying Declaration explains,¹⁰ State Farm has served non-
22 compliant amended responses regarding personnel file materials, failed to produce
23 assessment reports that must be in the files at issue, and *admittedly* failed not only

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25 ⁴ Dkt.5-1, pp.21:6-23:20; Supp. Decl., Ex. A, nos. 18, 20, 22, 24, 32, 34, 36, 38)

26 ⁵ Supp. Decl., ¶¶4-7.

27 ⁶ Supp. Decl., ¶¶8-26.

28 ⁷ Supp. Decl., Ex. A, nos. 17, 19, 21, 23, 31, 33, 35, 37.

⁸ Supp. Decl., ¶¶27-32.

⁹ Supp. Decl., Ex. A, nos. 25-28, 39-42, 44.

¹⁰ Supp. Decl., ¶¶33-37 (personnel documents); ¶¶38-40 (templates).

1 to produce four categories of documents the Court ordered to be produced, but has
2 *never identified a date certain upon which it intends to satisfy the Court's order.*

3 Likewise, State Farm has to date failed to produce template denial letters.

4 **D. “Water Initiative” Materials.¹¹**

5 Having granted itself a stay as to these materials based on its invented rule
6 of procedure, State Farm produced nothing other than the non-responsive Colorado
7 claims and boat claims handling guidelines (and other similar materials).¹² As its
8 motion for review was narrowly aimed at limiting the date range, State Farm
9 should long ago have searched for and produced at least *some* responsive
10 materials.¹³ Also, Judge Fischer denied the motion for review on February 26;
11 State Farm proposes to produce responsive documents on March 17, nearly three
12 weeks later, and, conveniently, beyond the briefing and thus Court's review here.

13 **IV. *Pachall* and Plaintiffs' Meet and Confer Effort.**

14 State Farm finally spends pages arguing that the circumstances in the
15 *Pachall* case have scant bearing here. It is right. Plaintiffs raised that matter simply
16 to explain why, upon issuance of this Court's order, the Tongs so assiduously
17 communicated with State Farm for weeks after this Court's order, detailing the
18 requirements of the order, and insisting upon State Farm's timely compliance. That
19 effort failed. Plaintiffs have done everything in their power to avoid this motion.
20 State Farm's amended responses, productions, and briefing here amount to an
21 unmistakable rejection of this Court's authority. No additional conferral could have
22 had any ameliorative impact. Plaintiffs satisfied the requirements of Local Rule 37.

23 Date: March 11, 2025

/s/Dylan Schaffer

Dylan Schaffer

Counsel for Plaintiffs

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27 ¹¹ Supp. Decl., Ex. B, nos. 92-93; Dkt. 40-2 (Joint Stipulation, Motion to Compel,
28 pp.99:2, 101:13, 102:26, 106:22, 110:10, 111:19).

¹² Supp. Decl., Ex., nos. 92-93.

¹³ Supp. Decl., ¶¶41-52.